

Quarterly performance report

30 June 2019

Charter Hall Maxim Property Securities Managed Portfolio

The Charter Hall Maxim Property Securities Managed Portfolio (previously Folkestone Maxim A-REIT Property Securities) is a Managed Discretionary Account (MDA), also sometimes referred to as a Separately Managed Account (SMA).

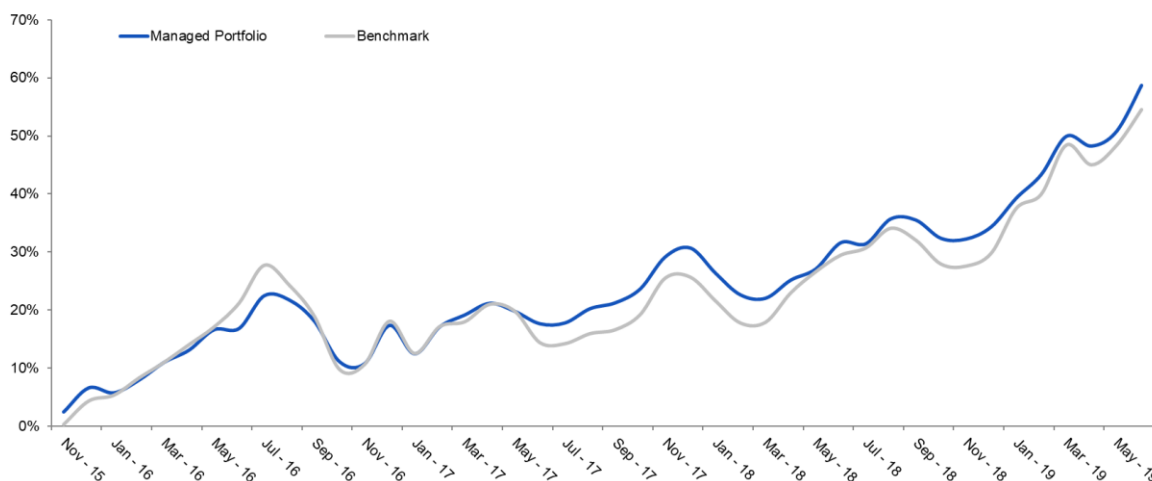
Performance as at 30 June 2019 ¹					Top five holdings	%
	1 mth (%)	3 mths (%)	1 yr (%)	Annualised return since incep (%pa)		
Portfolio	5.26	5.85	20.60	11.91	Goodman Group (GMG)	17.0
Benchmark	4.16	4.12	19.39	11.18	Scentre Group (SCG)	12.9
+/- Return	1.10	1.73	1.22	0.73	Mirvac Group (MGR)	11.1
					Dexus (DXS)	9.7
					GPT Group (GPT)	6.1

Portfolio and market returns

Over the June quarter, A-REITs underperformed Australian equities, with the S&P/ASX 300 A-REIT Accumulation Index delivering +4.1% compared to +8.0% for Australian equities. For the 12 months to June 2019, the S&P/ASX 300 A-REIT Accumulation Index delivered +19.4%, which was above the return for the broader equities market of +11.4%.

At the A-REIT sub-sector level, Industrial A-REITs were the best performer for the June quarter delivering a return of +13.3%, led by Goodman Group (GMG +13.7%). The next best sub-sector was Diversified A-REITs which returned +9.1%, followed by Residential A-REITs with +7.3%, Office A-REITs with +4.4%, Specialised A-REITs with +4.2%, Healthcare A-REITs with -0.2%, and Retail A-REITs with -5.3%. Standout performers during the quarter were Centuria Capital (CNI, +29.6%) which recently announced an acquisition which is earnings accretive, Lifestyle Communities (LIC, +20.6%) which has benefited from some positive news in relation to the housing market, Mirvac Group (MGR, +16.1%) which has also benefited from some positive news in relation to the housing market. The portfolio benefited from its exposures to both Lifestyle Communities and the Mirvac Group.

Performance since inception¹



¹ The Portfolio's benchmark is the S&P/ASX 300 A-REIT Accumulation Index. Past performance is not a reliable indicator of future performance and may not be achieved in the future. All information provided in this Report is correct at the date of this report. Returns are calculated net of management, administration, custody and transaction fees, and assume the reinvestment of all income (but not franking credits). Inception date of the Portfolio is 22 May 2015. Actual individual returns of each client's portfolio will differ depending on factors such as date of initial investment, timing of transactions, inflows and outflows, other fees and any customisations. Please refer to the relevant Investment Mandate for full information on product specifics, including all fees and costs.

Investment objective & strategy

The Charter Hall Maxim Property Securities Managed Portfolio aims to outperform the S&P/ASX 300 A-REIT Accumulation Index by 1.5% over rolling three year periods whilst also aiming to achieve a balance between growth in value of units as well as income from the investment.

Charter Hall utilises a disciplined investment process combining in-depth fundamental research with disciplined portfolio construction and risk controls to add consistent value over time.

With both global and local research, Charter Hall uses its own proprietary model as well as the services of other analysts to identify investments it considers worthwhile.

About Charter Hall Maxim

Charter Hall Maxim is a boutique real estate investment manager, specialising in A-REIT securities and real estate debt. It was founded in 2003 and acquired by Folkestone Limited in April 2014

Portfolio management

Mason Stevens Limited, as the Managed Discretionary Account Provider, will administer and implement the Managed Portfolio on the instructions of Charter Hall as the Program Adviser.

Key features

Investment universe	Securities in the S&P/ASX 300 A-REIT Index and any other real estate related securities listed on the ASX with a market capitalisation greater than A\$50m and Cash.
Benchmark	S&P/ASX 300 A-REIT Accumulation Index
Number of investments	10-20
Min cash weighting	2%
Maximum individual security weights	20% (excluding Goodman Group & Scentre Group)
Rebalancing	Program adviser discretion
Min investment	\$25,000
Suggested timeframe	3 years +

About Mason Stevens

Mason Stevens provides a multi-asset and multi-currency investment administration and managed account service to help produce tailored investment outcomes for advisers and their clients.

Clients benefit from efficient portfolio administration, secure online access to their investments, as well as comprehensive reporting.

More information

Further information about the Portfolio, including fees and costs, is outlined in the Charter Hall Maxim Property Securities Managed Portfolio Investment Mandate.

Contact

Investors

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to your adviser

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